

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
2001 Annual Access Tariff Filings) CC Docket No. 01-206
)
)

ORDER

Adopted: February 1, 2002

Released: February 4, 2002

By the Chief, Competitive Pricing Division:

I. INTRODUCTION

1. By this order, we approve the refund plan submitted by ALLTEL Telephone Systems, Inc. (ALLTEL) for issuing refunds to its inter-exchange carrier (IXC) local switching customers during the period of July 3, 2001 through ALLTEL’s December 2001 billing cycle.

II. BACKGROUND

2. In the *2001 Annual Access Tariff Order*, the Commission found that the dial equipment minute (DEM) allocation factors proposed by ALLTEL were not reasonable, and therefore ALLTEL’s local switching rates calculated based on those factors were unreasonable in violation of section 201(b) of the Communications Act of 1934, as amended.¹ The Commission directed ALLTEL to recalculate its interstate local switching rates based on revised DEM allocation factors, and to issue refunds plus interest for the period from July 3, 2001 through the effective date of its revised local switching rates.² The Commission also ordered ALLTEL to submit to the Common Carrier Bureau for review and approval a plan for issuing refunds.³ On January 29, 2002, ALLTEL submitted its plan for issuing refunds.⁴

III. DISCUSSION

3. We find that ALLTEL’s refund plan, with the exception of its application of interest, is reasonable. In its refund plan, ALLTEL applied an interest rate of 6 percent to the refund amount from July 3, 2001 to January 29, 2002.⁵ Although ALLTEL correctly used the Internal Revenue Service’s

¹ See *2001 Annual Access Tariff Filings*, CC Docket No. 01-206, Memorandum Opinion and Order, FCC 01-352, para. 16 (Dec. 3, 2001) (*2001 Annual Access Tariff Order*).

² *Id.* at paras. 19, 21-22.

³ *Id.* at para. 23.

⁴ See Refund Plan of ALLTEL Telephone Systems, Inc. (ALLTEL), CC Docket No. 01-206 (filed Jan. 29, 2002) (ALLTEL Refund Plan).

⁵ See ALLTEL Refund Plan at 2.

(IRS) corporate overpayment rate of 6 percent,⁶ ALLTEL applied that rate only through the date of filing its refund plan, January 29, 2002. While refunds are due only for the period of overcharges, interest accrues until the date the refunds are issued.⁷ Therefore ALLTEL cannot limit the accrual of interest on the refunds to the date on which it filed its refund plan, but must calculate interest until the refunds are issued.

4. We approve ALLTEL's proposal to refund the overcharges paid by its IXC local switching customers between July 3, 2001 and December 15, 2001 in the form of credits to be applied to current and future bills.⁸ As discussed above, ALLTEL must calculate interest on the overcharges until the date the refunds are issued.

IV. ORDERING CLAUSES

5. Accordingly, IT IS ORDERED, pursuant to section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), and through the authority delegated pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that the rate refund plan filed by ALLTEL Telephone Systems, Inc., subject to the application of interest as delineated at paragraph 3 of this order, IS APPROVED.

FEDERAL COMMUNICATIONS COMMISSION

Tamara L. Preiss
Chief
Competitive Pricing Division

⁶ See *Long-Term Telephone Number Portability Tariff Filings of Ameritech Operating Companies, Pacific Bell, Southwestern Bell Telephone Companies, and U S West Communications, Inc.*, CC Docket No. 99-35, Memorandum Opinion and Order, 14 FCC Rcd 17339, 17341-42, paras. 5-6 (Common Carrier Bureau 1999) (*Refund Interest Clarification Order*) (finding that carriers could use the IRS' overpayment interest rate, rather than the underpayment interest rate, for local number portability refunds to customers).

⁷ See *Refund Interest Clarification Order*, 14 FCC Rcd at 17342, para. 5 n.16.

⁸ ALLTEL proposes to issue an "Other Charges and Credit" (OC&C) to the IXCs on their access bill in the February and/or March billing cycles. See ALLTEL Refund Plan at 2.